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- I. Sukarno, by 8 May promulgation of "emergency" decree, has imposed his concept of "guided democracy" (first proposed last February) on Republic of Indonesis.
 - A. Sukarno will personally head new senior body, the "National Council," appoint its members and outline their duties.
 - B. "Council" is to consider all aspects of Indonesian affairs, will "advise" Gov't "with or without its consent."
 - C. There can be no doubt that Communists will be included in the Council and that their influence will be strong.
- II. Sukarno can be expected to play increasingly direct role in Indo-
 - A. He will probably work to implement development projects in rebellious provinces, in effort to buy back their allegiance to central authority.
 - B. At same time, he will follow present program of political and military pressure to undercut dissident provincial leaders.
 - 1. Several Sumatran officials have recently been arrested while visiting Djakarta.
 - 2. New efforts apparently are underway to undercut authority of East Indonesian autonomy movement.
- III. In the rebellious provinces, both the decree and the arrests are likely to intensify anti-centralist sentiment and to stimulate the desire for a final break with Djakarta.
 - A. Any indication of the government's intention to use armed force to restore central control could suddenly precipitate regional complication Release 2002/01/30: CIA_RDP79R00890A000800070019-2